construction grants for small communities. Construction management assistance funds may also be used for administering elements of a State's construction grant program which are implemented without Federal assistance, if the Regional Administrator determines that those elements are consistent with 40 CFR part 35, subpart I. Program requirements for State construction management activities under delegation are provided in 40 CFR part 35, subparts F and I.

(b) Permit and planning assistance. The 205(g) funds may be used for administering permit programs under sections 402 and 404 and for administering statewide waste treatment management planning programs under section 208(b)(4) of the Clean Water Act. Some of these activities may be eligible for funding under sections 106 and 205(j) of that Act. (See §§35.250 and 35.350.) Program requirements for water quality management activities are provided in 40 CFR part 35, subpart G.

## § 35.305 Maintenance of effort.

To receive funds under section 205(g), a State agency must expend annually for recurrent section 106 program expenditures an amount of non-Federal funds at least equal to such expenditures during fiscal year 1977, unless the Regional Administrator determines that the reduction is attributable to a non-selective reduction of expenditures in State executive branch agencies.

## §35.310 Limitations.

- (a) The Regional Administrator will not award section 205(g) funds for construction management assistance unless there is a signed agreement delegating responsibility for administration of those activities to the State.
- (b) The Regional Administrator will not award section 205(g) permit and planning assistance before awarding funds which provide for the management of a substantial portion of construction grants program. The maximum amount of permit and planning assistance a State may receive is the amount remaining in its reserve after the Regional Administrator allows for full funding of the management of the construction grant program under full delegation.

(c) The Regional Administrator will not award section 205(g) permit and planning assistance unless the work program submitted with the assistance application shows that the activities to be funded are coordinated, as appropriate, with activities proposed for funding under sections 106 and 205(j) of the Clean Water Act.

WATER QUALITY MANAGEMENT PLANNING (SECTION 205(J)(2))

## §35.350 Purpose.

Sections 205(j)(2) and 518 of the Clean Water Act authorize assistance to States (as defined in section 502 of the Act) and to eligible Indian Tribes to carry out water quality management planning activities. Some of these activities may be eligible for funding under sections 106 and 205(g) of that Act. (See §§35.250 and 35.300.) Program requirements for water quality management activities are provided in 40 CFR part 35, subpart G. The purpose of 205(j) funds includes, but is not limited to, the following.

- (a) Identification of the most cost-effective and locally acceptable facility and nonpoint measures to meet and maintain water quality standards.
- (b) Development of an implementation plan to obtain State and local financial and regulatory commitments to implement measures developed under paragraph (a) of this section.
- (c) Determination of the nature, extent, and causes of water quality problems in various areas of the State and interstate region.
- (d) Determination of those publicly owned treatment works which should be constructed with Federal assistance, in which areas and in what sequence, taking into account the relative degree of effluent reduction attained, the relative contributions to water quality of other point or nonpoint sources, and the consideration of alternatives to such construction.
- (e) Implementation of section 303(e) of the Clean Water Act.

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